October 2012 was 100 workers above a year earlier; however, the area still needs to create 14,800 jobs to be back at the 180,400 prerecession level of five years ago. An increase of 624 in the number of employed residents, coupled with a decline of around 230 in the civilian labor force, brought unemployment down from 8.5 percent in October 2011 to 8.0 percent for October 2012, ranking 8th lowest among the 11 metros. Adding an estimated 35,336 underemployed workers to the 13,679 unemployed in October brings the Montgomery area’s available pool to around 49,000. That’s a sizeable number of potential employees for new and expanding business and industry prospects.

Montgomery area business executives were the most optimistic about prospects for the economy and their firm or organization during all four quarters of 2012 compared to executives statewide and in other large metros. Although confidence as measured by the Center for Business and Economic Research (CBER)’s Alabama Business Confidence Index™ (ABCI) fell from 58.4 on the second quarter survey to 51.3 in the fourth quarter of 2012, area businesses expected modest growth as the year came to a close. CBER forecasts have employment in the Montgomery area rising 0.6 percent in 2013, with GDP increasing 1.7 percent.

In manufacturing, where employment increased by 1,700 from January to October 2012 and accounted for 10.9 percent of nonfarm employment, the keyword was Hyundai. After striving to meet demand for the Sonata and Elantra by running two 10-hour five-day shifts plus Saturday overtime, Hyundai Motor Manufacturing Alabama added a third shift at its Hope Hull plant in September. The 877 new hires that came on board for training in July brought employment to more than 3,000. With the new shift, production of Sonatas and Elantras at the plant could reach 345,000 for 2012 and 360,000 in 2013. Montgomery’s other Hyundai, Hyundai Heavy Industries, which opened its plant in November 2011, added around 400 workers during 2012 as it ramped up production of power transformers.

Montgomery County gained its 13th auto supplier as DAS North America started production of automotive seat components in a temporary facility with around 60 workers. The company plans to invest $50 million in a new plant that should be online by early in 2015 and employ 240. Tallahassee Hyundai suppliers expanding include Hanil USA, planning a $3 million investment that will create 60 jobs, and E&I, with a $2 million investment and 20 new jobs. Commercial vehicle brake component manufacturer Fras-ke announced an $11 million investment bringing 100 jobs to Prattville.

In other manufacturing developments during 2012, TK Electric is building a $3 million facility in Pike Road to supply Hyundai Heavy Industries; employment should start at around 30 when it opens in 2014. Hospital equipment manufacturer Steris’ decision to invest $11 million in an expansion of its Montgomery plant preserves the company’s current 270 jobs and will add at least 80 new positions late in 2013. Dow Corning Alabama completed a $30 million power substation at its silicon metal manufacturing facility in Mt. Meigs and added 30 employees. A grant to improve road access will help Atagi Water, which began production in Autauga ville during the summer.

Firms in professional and business services employed 20,600 across the Montgomery metro in October 2012, the area’s second largest sector with 12.4 percent of jobs. Employment climbed by 700 during the first 10 months of the year; a fall job fair aimed at connecting potential employees with information technology and project management companies suggests continuing growth. Retirement Systems of Alabama opened a $13 million Datacenter in its Dexter Avenue building in the fall. Medical supply company InMed Group added around 30 employees at its new downtown corporate head-quarters, while working on plans to convert a city-owned property downtown and add 60 employees with the move. The area’s financial sector continues to rebound from the demise of Colonial Bank; FDIC-insured deposits as of June 30, 2012 were 9.6 percent higher than a year earlier.
Education and health services generally held its own in terms of employment during 2012. Montgomery Catholic Preparatory School opened a new $6.2 million elementary school in August. Faulkner University completed a number of projects during 2012, including an addition to Jones School of Law, a men’s dorm, and extensive renovation to convert an existing building into a Dinner Theatre. The school dedicated its $2 million John Mark Stallings Field, a new football and soccer stadium, in time for fall semester use. Health services in the Montgomery area saw the loss of almost 120 jobs as the Department of Mental Health closed Greel Hospital August 31 and moved patients to community care or other state hospitals. UAB’s Montgomery regional medical school on the campus of Baptist Medical Center South will begin training residents in May 2014 and should help provide more primary care physicians to the Montgomery area and central Alabama generally.

Public K-12 schools and higher education institutions saw numerous developments over the past year. The Montgomery Public Schools started construction on the $34.1 million Park Crossing High School—its first high school on the city’s eastern side—slated to open in Fall 2013. Career prep efforts accelerated with the opening of the Montgomery Technical Education Center, offering training in carpentry, industrial maintenance, and welding to high school students in a year-round program that includes summer apprenticeships. The school system continues to repurpose, tear down, or sell unused schools and property.

Alabama State University (ASU) completed its 26,500 seat, $62 million football stadium just in time for the 2012 Turkey Day Classic game against Tuskegee University. The university dedicated the expanded Levi Watkins Learning Center, a $22 million project, in November, and continued work on a $4.2 million renovation of a downtown Montgomery building that will house the master of accountanty and other upper level College of Business programs. Renovation of a former Alabama Public Television building will provide space for ASU’s new Center for Applied Communications Media. Auburn University at Montgomery opened a $20.6 million wellness center in the fall. The university’s new Confucius Institute will promote teaching Chinese language and culture at the public school and university level. An economic development institute being established at Troy University Montgomery will bring elected leaders and business people to the campus beginning in April 2013.

While state government employment declined by 5,700 across Alabama between October 2011 and October 2012, the Montgomery area saw an increase of around 200 during this time. Altogether, the metro that includes the capitol had 22,800 residents working for the state in October, amounting to 13.8 percent of total nonfarm employment. A constitutional amendment that passed in September allowing the transfer of $145.8 million per year for three years from the Alabama Trust Fund to the Alabama General Fund was critical to avoiding substantial cuts in Montgomery area state government employment. Federal government jobs fell by 200 during the 12 months ending in October, as defense budget-tightening cut around 200 civilian positions at Maxwell-Gunter Air Force Base. Another 125 full-time military jobs at the base are slated for elimination by the end of FY2013. Efforts were ongoing in November to keep the Air Force from removing C-130 transport planes from a Montgomery reserve unit—a move that could affect as many as 550 jobs at Maxwell.

Leisure and hospitality businesses in the Montgomery metro employed 14,200 in October 2012, up 300 since January but down by 100 from October 2011. Hotel occupancy improved to an average of 72 percent for hotels near EastChase in May and 67 percent downtown, drawing interest in new hotel construction. A Doubletree Hotel will open at the end of March following a $6 million renovation of the former Clarion Hotel on Madison Avenue, making 176 more rooms and suites available for downtown conference attendees. Completion of a Fairfield Inn and Suites near Hyundai is scheduled for April. The Poarch Band of Creek Indians began construction of a $246 million, 20-story hotel and casino that will add 285 rooms and a 90,000 square foot gaming floor to its adjoining Wind Creek Wetumpka hotel and casino. About 600 jobs will be created by the new project, bringing total employment to around 1,000. Construction resumed after a halt to address concerns of the Muskogee Nation of Creek Indians and could be completed early in 2014. However, the Southern Star Entertainment Center in Lowndes County, which had re-opened in March 2012, was shuttered again in November when the state seized 350 electronic bingo machines and cash.

Although budget restrictions forced cancellation of the Air Force’s 2012 Information Technology
Conference scheduled for Montgomery, a number of conventions and sporting events brought influxes of people to the area during 2012. A girl’s 16 and under softball tournament drew 180 teams in the fall. The new $22 million Cramton Bowl Multiplex opened for sporting events in July and hosted the Alabama All-Star Sports Week; at least 24 events are on the schedule through 2013. More than 30,000 visitors were in town for the 19th annual Buckmasters Expo. And the Navistar LPGA Classic in September that brought 144 top women golfers to Prattville’s Capitol Hill Course contributed an estimated $7 million to the area economy. CBS will televise the new college football All-Star game from the renovated Cramton Bowl in January 2013, with Raycom Media as the title sponsor. The Emory Folmar YMCA Soccer Complex, dedicated in September, hosted the men’s NAIA Soccer Championships in late fall.

Development of downtown Montgomery as a location for entertainment and dining continued. New businesses opening during the year included the restaurant Central, SandBAR at the Silos, Barra Hookah, Railyard Brewing Co., Irish Bred Pub, and Aviator Bar. New dining and shopping options across town included several eateries at Zelda Place, Festival Plaza, Montgomery East Shopping Center, and Eastchase Market Center; Versona Accessories and Peach Mac at The Shoppes at Eastchase; Alabama Outdoors at Festival Plaza; Goody’s at Colonial Promenade; and Hibbett Sports in Governor’s Square. Prattville’s High Point Town Center is expected to benefit from new management by Jim Wilson & Associates as it continues to recover from the recession. A project to widen Old Farm Road will improve access to Prattville shopping.

The City of Montgomery, continuing its strategic development initiative to purchase blighted or unused properties, spearheaded planning and improvement efforts in the area during 2012. Sale agreements are in place for many of the 12 properties the city owns on Dexter Avenue, with most slated for retail, restaurant, and commercial use. Some facades are being updated and upper floors converted to residential use. Demolition of the former Sears building on Court Street opens up that site for redevelopment. Meanwhile, the new City Hall opened downtown; private renovation of the historic Webber Building next to City Hall will feature retail, business, and residential floors. Birmingham developer JS Group is pursuing plans to turn the parking lot at the Corner of Bibb and Commerce Streets into a $15 million development with restaurants and apartments. Construction could start this spring on a $10 million apartment and restaurant development at the Old Skate Park on Bibb Street. The Printing Press Lofts, under construction on Court Street, will contribute 21 lofts in mid-2013 to the estimated 3,000 residential units needed in downtown Montgomery. Montgomery’s former Tulane Court housing project site will be reborn as the Plaza at Centennial Hill, a mixed income development with up to 340 housing units; ground was broken on the 129 units in Phase 1 in May.

As part of the Madison Avenue Gateway Plan, the City of Montgomery is buying the State House Inn Plaza for implosion and resale and has acquired the properties needed for construction of a new municipal court. Revitalization is ongoing in West Montgomery, with a combination of city and nonprofit projects. Streetscaping and façade renovations are underway along West Fairview Avenue, and work should be wrapping up on Phase I of the Genetta Park Stream Restoration project. An investor has been renovating the Highland Village apartments, while the nonprofit ACTS has been buying distressed properties from the city to renovate and sell. Christian ministry House to House is working to revitalize the Washington Park community. Federal funding will go toward improving the attractiveness of the last section of the Selma to Montgomery National Historic Trail. Renovations that will turn Overlook Park near Maxwell into Wright Brothers Park should be complete for a mid-2013 opening. The city continues to work with developers on a plan to sell city-owned properties on Maxwell Boulevard for mixed use that would include 150 apartments as it pursues efforts to improve the connection between Maxwell Air Force Base and downtown.

Other projects completed or ongoing during 2012 will contribute to the quality of life and housing opportunities available to area residents. The recently-approved Atlanta Highway Master Plan seeks to make that area of Montgomery more attractive and pedestrian and bike friendly. Plans for the city-owned portion of the old Montgomery Mall include a fire station, police offices, and an indoor public walking track. Future renovations could create a suitable location for a call center business. In east Montgomery, the newly-opened Park Crossing provides a convenient connector for access to area schools and businesses, including the new high school that is under construction. The historic Capri Theater in Montgomery’s Cloverdale.
neighborhood is undergoing extensive renovations. A new dog park near Blount Cultural Park is a joint project of the city and the Humane Society. The City of Prattville completed the first phase of a project to develop land adjoining Kiwanis Park with hiking, biking, and equestrian trails; residential redevelopment of the historic cotton mill in downtown Prattville is progressing. With growth ongoing, the Town of Pike Road hired Volkert and Associates to develop a comprehensive plan for city services, traffic flows, and development. Volunteers in Pike Road worked with Home Depot to build a baseball field and add a veterans memorial and seating at the Old Town Hall Park.

Population in the four-county Montgomery metro area continued to increase at a faster pace than across the state; 3,405 new residents during the year ending July 1, 2011 amounted to a 0.9 percent gain. However, prices as measured by the FHFA House Price Index were down 2.3 percent in third quarter 2012 from their third quarter 2011 level. House prices in the Montgomery metro are 10.8 percent below their level five years ago, on average. Still, the area’s real estate market appears to be on the upswing, with the total number of homes sold during the first 10 months of 2012 up 13.3 percent from the same period in 2011. And building permits for both single-family and multi-family homes rose during the first nine months of 2012 compared to the same period in 2011. Financially, Montgomery area residents are better off than the average Alabamian, with a 2011 per capita income of $36,450 ranking third among the 11 metros and the fourth highest FY2012 median family income of $60,100. At $39,020, the average annual wage was close to the state average and ranked fourth among the metros.